

Can Stephen Harper Deliver a Taxpayers' Agenda?



In this Issue:

- CTF's Top 20 Policy Priorities
- Accountability Report Card
- MP Pension Trough
- Voting Change



From the editor

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Stephen Harper: A Champion for taxpayers?

Shortly after the January 23rd vote, your CTF went to work developing two important documents that are detailed in this issue of *The Taxpayer*.

The first is called "*Top 20 Policy Priorities for the Harper Government*" and includes many taxpayer-friendly policies endorsed by the Conservatives during the election campaign: lower taxes, accountability measures, daycare reform, gas taxes for roads, Senate reform and a tax point transfer to the provinces.

The list also pushes the envelope to include many long-time CTF priorities including: a debt elimination law, health care reform, workable recall and initiative laws, and an end to corporate welfare, Kyoto and the disastrous gun registry.

The second document is all about what CTF supporters identified in our annual survey as priority number one for 2005/06: government accountability.

Your CTF combined the

Conservative Party's platform on accountability with Judge Gomery's final recommendations stemming from the Sponsorship Scandal to create a "*60 Point Accountability Report Card*."

These two documents will guide your CTF's direction, give us focus and provide a yardstick with which to measure the new government's performance. Above all, it will determine if Mr. Harper and his government will be long awaited champions for taxpayers.

The first major test comes with a budget expected sometime in April or May. Any suggestion that the Conservatives would raise income taxes to pay for their GST cut

should be scuttled. Moreover, as fuel prices remain high the "deficit elimination tax" and application of GST on fuel taxes should also be abolished. And the Tories need to keep their word on deferral of capital gains taxes.

Your CTF welcomes a new government in Ottawa. But be

assured that we will remain vigilant advocates – as we always have – for taxpayers. We hope this issue provides some clear focus and direction not only for you our supporters, but for the new government and Canada. ■

Correction:

In the Jan/Feb issue of *The Taxpayer* the CTF published a commentary with incorrect information. The Office of the Auditor-General of Canada has the power to audit most Crown corporations, such as the Canadian Broadcasting Corporation and the Canada Mortgage and Housing Corporation. Under the *Financial Administration Act*, these Crown corporations must undergo a performance audit every five years. In addition, their financial statements are audited annually. The federal government's budget implementation bill (Bill C-43), which received Royal Assent on June 29, 2005, expanded the auditor-general's mandate further to include audits of foundations and all Crown corporations, except for the Bank of Canada and the Canada Pension Plan Investment Board. The CTF apologizes for its error.

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In this issue



Waste Watch

Collection problems in dope land.



BC: 2006 Budget Recommendations

Tackle the growing debt and simplify taxes.



Accountability: The Next Steps

The Harper government's 60 point Accountability report card.



AB: 2006 Budget Recommendations

Creating a new vision for Alberta.



Democratic Reform:

Will the Harper government embrace voting change?



SK: Victory for Taxpayers!

Education property tax relief finally arrives, but more needs to be done.



A Taxpayers' Agenda

CTF unwraps its top 20 policy priorities for the Harper government.



MB: Manitoba Budget 2006

Tax Relief, Ballooning Debt and Unprecedented Spending.



The Golden Handshake

Retired or defeated MPs rake in millions in severance and pension benefits.



ON: CTF Calls for Reform

Prebudget submission focuses in spending, property taxes and new taxing powers for cities.

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Gold-Plated Retirement

Even knowing that MPs had lucrative pensions did not prepare me for the disgust I felt this morning reading the newspaper.

Every hardworking Canadian taxpayer should be outraged at these numbers. No wonder more and more Canadians are cynical and disillusioned with politics.

Ian Mackenzie
Winnipeg, MB

Nice work if you can get it!

Tony Brogan
Sooke, BC

How nice to be a Member of Parliament for 18 months and receive a severance of \$75,000. We the poor people have to pay and accept this waste.

Louise Lefebvre
Sturgeon Falls, ON

Taxes, Taxes, Taxes

I just went to renew my licenses at the local minis-

try and it hit me how fast "fees" continue to go up. Of course they are not fees at all, they're taxes!

Our cheques get smaller and smaller and no one seems to care. Yet expense accounts, interest groups, and just about everyone else gets a chunk of my wallet. It seems we live in Roman times. As long as the masses can go to sporting events, all is well.

Dave
Belleville, ON

Thank-you for your excellent report on the property tax bite and tax cap in British Columbia. Fantastic! I will now become a dues-paying supporter of the CTF. I could not ask for better support of my letter to Central Saanich Council. My home's assessment has gone up 250% since 1998 and my taxes have doubled! If left unchecked, they will go up another 20 to 30% this year!

David Reagan
Central Saanich, BC

I hope the CTF will give support and voice to an unfair tax burden that farmers and ranchers are under by working to eliminate the GST and capital gains tax. Succession planning for farmers is hopeless under the burden of these two taxes.

George Young
Assiniboia, SK

Kyoto Madness & the Great Canadian CO₂ Hoax

Editor: the following letter was edited out of context in the January/February issue of The Taxpayer. A condensed version is re-printed below. Our apologies to the writer.

The origin of Kyoto "madness" goes back to the campaign by the Federal Department of the Environment to convince Canadians that increasing levels of CO₂ produced by burning of fossil fuels is causing climate change. This is a \$10 billion dollar hoax.

An impartial examination of climate change shows that climates have changed in the last 100 years with no clear evidence that these changes were due to changing concentrations of CO₂. CO₂ is non-toxic and beneficial to plant growth. Moreover, *it is not a pollutant*. The list of questions that demonstrate a lack of scientific underpinning of Kyoto goes on and on.

For those that would like more background on climate science from specialists, including professors in that field, should access: www.friendsofscience.org and listen to a video on the subject.

D.L. Barss
Professional Geologist
Calgary, AB

Letters-to-the-editor

Letters may be edited for length, content and clarity.

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Lots of Advice for the New Government

The 23rd of January has come and gone. Canadians have voted for change, but what are the specifics of the desired change that actually influenced our decision?

- 1) Reform pensions and severance allowances;
- 2) Institute a system of proportional representation across the land and attach a recall process;
- 3) Institute financial control procedures in all government ministries; and
- 4) Focus daycare funds for those parents most in need.

The above is directed to all incoming Members of Parliament.

Alex Bauer
Whitecourt, AB

What should the new government do?

- Institute referenda. Switzerland has had referenda for years;
- Elect the Senate;
- Look to Europe for health care examples. Even socialist Sweden has a mix of public and private alternatives;
- Institute a flat tax. People want to pay taxes in a simple way; and
- Give Aborigines a piece of land (everyone, not the

band). You can sell your piece of land because you have clear title in your name, not in the name of the bands.

Canadians need to be reminded of all the emigrants who came here with nothing. I came in 1957 with \$50 in my pocket and three little kids. Ask me!

Jack Vanderwood
Okanagan Centre, BC
(Jack is 90 years old)

The current capital gains tax paralyses economic potential. Because of tax consequences, assets aren't sold and turned over into new businesses, nor expanded into larger businesses. This tax not only reduces the residual equity of Canadians, it prevents the creation of an enormous number of jobs.

Let's reverse this paral-

ysis. The Conservative's campaign proposal to allow Canadians to move their capital assets without penalty will benefit Canadians and the entire economy.

Casey Timmermans
Nanaimo, BC

Tax laws need to be revised. Some variation of a flat tax deserves consideration. Taxes need to be simplified and powers removed from the tax department that can deem an individual taxpayer a criminal if they don't like you or the way you add.

Tax law is onerous and full of hoops to jump through. This needs to be changed. The purpose of earnings is not just for Canada Revenue to collect it.

Randy Renauer
Ft. Vermillion, AB



Waste Watch

Political Egos & Helicopters

Augusta-Westland welcomed the new Harper government into power with a \$1-billion lawsuit claiming political interference in its 2004 bid to supply the Department of National Defence (DND) with its EH 101 helicopters.

Augusta-Westland contends that the Liberals set the criteria for the \$5-billion purchase so their company could not win the contract. The contract for 28 helicopters was eventually awarded to US-based Sikorsky.

The helicopters were destined to replace the aging Sea Kings which have routinely dropped out of the sky for the past dozen or so years.

Back in the late 80s, the then Conservative government decided to replace its aging Sea Kings with a fleet of EH-101s.

But during the 1993 federal election, Jean Chretien — calling it an example of Conservative waste — promised to scrap the deal if elected. It was one of the first things Chretien did when he became prime minister. It cost taxpayers \$470 million to break the contract.

The problems with the Sea King continued to escalate. By the mid- 1990s, it was clear something had to be done. Ottawa allowed DND to buy some new helicopters and wouldn't you know it, they chose Augusta-Westland's EH-101.

Augusta-Westland argues that when the Liberals found out that the EH-101 had been selected, it ordered DND to reduce performance requirements for the helicopters so that other companies could bid on the \$5-billion contract.

According to Augusta-Westland, the Liberals didn't want the previous \$470 million cancellation fee being waived in their face if they bought the EH 101s. The Liberals set up a special

committee, headed by Herb Gray, to monitor DND's helicopter purchase.

With files from the *National Post*

Twist my arm

When Canada's auditor released a scathing report on the federal gun registry in 2003, the Liberal government did what it does best: spent taxpayers money on public relations.

In this case, 380,000 tax dollars were given to Kim Doran, a representative of the "Coalition for Gun Control" to lobby the Treasury Board, Privy Council and federal solicitor general to spend even more money on the gun registry.

Whoops ... and we almost forgot to mention. Ms. Doran was not only a Liberal Party member, but worked for the party as their Deputy Director of Organization and Policy along with serving as vice president of federal affairs for the Liberal's Womens' Commission in Ontario.

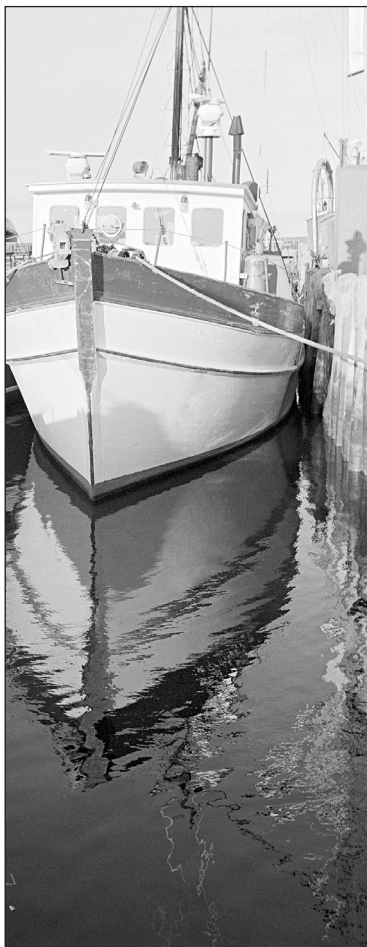
With files from the *Toronto Sun*

GG the sequel?

Before she was appointed Governor General (GG), Michaëlle Jean got a taste of the good life. A life, her predecessor was well accustomed to ...

In August last year, soon-to-be GG Jean along with her extended family enjoyed a two night stay at the Chateau Laurier in Ottawa that cost taxpayers \$7,750 — approximately \$1,300 per person.

The feds were trying to keep her appointment secret in the run-up to the August 4th announcement and to do that they booked her, husband Jean-Daniel Lafond and daughter



Something's fishy at DFO

Waste Watch

into the presidential suite. It was hoped that by hiding them there it would keep them away from the prying eyes of the riff-raff that normally sully the halls of the Chateau Laurier. The spacious presidential suite costs \$1,800 a night.

Taxpayers picked up the tab for two additional rooms for her husband's two adult children from a different marriage (and their families).

In addition to the hotel rooms, taxpayers had to feed this nine person crew. Though they all ate in the privacy of the presidential suite, they apparently did not order in Chinese food. The total costs for food for this two day stay was \$1,533. The wine bill was \$388.

There was also a big party the night before the official announcement which consumed nearly half their total food expense claim. For that one night of celebration, taxpayers coughed up \$841 for food and \$256 for wine.

In fairness to Michaelle, these arrangements were made by the feds prior to her appointment. Let's hope she sets a different course from her predecessor Ms. Clarkson.

With files from Nealenews and Ottawa Citizen

Duh enforcer

Every good drug dealer needs an enforcer to collect bad debts. Someone who has a knack for striking fear in the heart of wayward cli-

ents. Now it appears Ottawa needs the same.

In 2002, Ottawa started growing marijuana for "medicinal purposes." Health Canada awarded a \$5.7 million contract in 2002 to Saskatoon-based Prairie Plant Systems to grow medicinal marijuana. The first batch was so bad that the plants were destroyed.

By 2003, the feds had their first batch of Marijuana available for sale — by prescription only, of course. But it too was so bad, that most users returned it.

With tough competition on the streets, the feds were forced to improve the quality. But when people finally bought their marijuana the feds ran into another problem — people weren't paying their bills.

As of February of this year, of the 278 people who are currently allowed to purchase "medicinal marijuana" 127 (nearly half of them) were 90 days in arrears. In total, this group owes taxpayers \$168,879.

It was only when the amount owing exceeded \$100,000, did the feds realize that they never spelled out the consequence of users not paying their bills.

First they started with letters to the delinquents telling them they were late with their payment. When that didn't work, the feds turned them over to the boys. But rather than employing drug dealer's proven collection methods, the feds turned these people over to bill collection agencies.

If after this rough treatment, they still refuse to pay, the feds will make them go cold turkey. That's right. They will cut them off from their "medicine."

With such glowing success, the feds just recently extended Prairie Systems contract to grow marijuana by six months to June 30th of this year. This additional six months cost taxpayers \$670,000. At that point, Health Canada says it may put the whole project out to tender.

With files from the Globe and Mail.



Pricey computer problems at Canada Revenue Agency

Waste Watch

Assessment bites back

While taxpayers wince at increasing assessments on their properties, it's always nice to hear a story of how an assessment bit the government for a change. In Valparaiso Indiana, department heads are being ordered to return millions of dollars and it's all due to a little assessment problem.

Last year, a small basementless home was inadvertently given an assessed value of \$400 million instead of its actual value of \$121,000. This resulted in a corresponding tax bill of \$8 million, instead of the \$1,500 that was actually due.

Unaware of the problem, the city bureaucrats jumped with joy at the sudden spike in tax revenues and spent the money accordingly. Departments (including the local school) received dramatic increases in their budgets.

A few months later the error was pointed out by the homeowner who had received the \$8 million bill. The revenue department quickly corrected the overbilling, but forgot to notify the spending side of the \$8 million loss in revenues.

A few weeks later, the city of Valparaiso woke up facing a serious budgetary shortfall. The local school was asked to return \$2.7 million. Other departments were asked to return \$3.1 million in tax dollars. Many departments are even expecting to have to lay people off.

With files from *Fox News*

Something's fishy at DFO ...

The release of a spending audit at the Department of Fisheries and Oceans (DFO) was stonewalled for two years despite repeated requests for it under access to information.

Once DFO finally released the audit, it was clear why they tried to hide it. Though bureaucrats blacked out many sections of the 32 page report, there was enough left to reveal a state of chaos related to a \$160 million program providing boats, gear and commercial fishing licenses for Mi'kmaq Indians in 2000 and 2001.

This program followed on the heels of the 1999 Supreme Court's Marshall decision that found a Mi'kmaq fisherman, Donald Marshall, Jr. not guilty of fishing eels out of season under the terms of a 1760 Treaty.

The ruling opened the floodgates and Mi'kmaq fishermen aimed their sights on the lucrative lobster market and began fishing out of season. Fearful that this would jeopardize their livelihoods, non-native fisherman aggressively challenged the Mi'kmaq. This led to angry confrontations at Burnt River which included gun fire, boat burnings and trap sabotage.

In an effort to stop the escalating violence, DFO hastily negotiated deals with 30 of the bands, agreeing to set up approximately 1,000 native fisherman with their own boats, licenses and gear. To do this, the department would buy licenses off non-native fishermen and round up necessary equipment and boats.

Commenting in the *Chronicle Herald*, CTF aboriginal policy director Tanis Fiss said, "It was a knee-jerk reaction to keep the peace."

Because of the rush, the program ran unhindered by proper accounting procedures. On almost every page of the report, the auditor called for the bureaucrats to follow basic accounting principles.

Because of the sudden onslaught of federal money prices for licenses and equip-

Did political egos cost taxpayers hundreds of millions of dollars in the effort to replace aging Sea Kings?



Photo Department of National Defence

Waste Watch

ment skyrocketed. Non-native fishermen saw the values of their licenses nearly triple from \$300,000 each to \$850,000.

The department bought boats, often sight unseen, at highly inflated prices off of brokers who set the price according to demand. Though DFO paid a premium price, officials failed to inspect the boats and many of them were in such rough shape, one actually sank.

And in the rush, DFO ended up buying 24 more boats than it needed. Proper transfers did not take place, so that DFO did not legally own many of the boats it paid for. And, Indian bands reported that the boats did not contain all the accessories listed on purchase manifests.

Concerning the purchase of equipment, the department blacked out the whole section, so who knows what happened in that area.

Finally, many of the native bands who received money failed to provide an accounting on how the money was spent.

With files from the *Chronicle-Herald* / *CBC News*

Shame, shame

It happened in a department that should know better. An audit of a handful of expense claims made by Federal Department of Justice employees between 2002 and 2004, uncovered a litany of abuses and fast dealing with taxpayers' money.

In 2002-03, the department spent \$14.2 million on travel expenses and hospitality.

The audit stated that shoddy accounting practices left the department vulnerable to problems. Some were due to ignorance of the law while others were blatant instances of fraud.

The audit — which only analysed 331 of the de-

partment's expense claims during this two year period — uncovered a number of problems not noticed by justice accountants, including flying business class when the employee was only supposed to fly economy.

There were also four claims where employees combined business with pleasure and charged personal expenses to the government tab including meals and travel. One employee was charged for making over \$5,000 in fraudulent claims and eventually fired.

The audit also uncovered a number of instances where department officials booked expensive conference rooms when government space was available. Last minute cancellations left the department paying hefty cancellation fees, some as high as \$16,000.

with files from the *Ottawa Sun*

GST woes

In 2000, the Canada Revenue Agency decided it was time to upgrade the archaic computer system that had been slapped together to process the GST in 1991.

The old program couldn't do all the calculations, forcing bureaucrats to make some calculations by hand. As well, it couldn't communicate with other tax programs in the department.

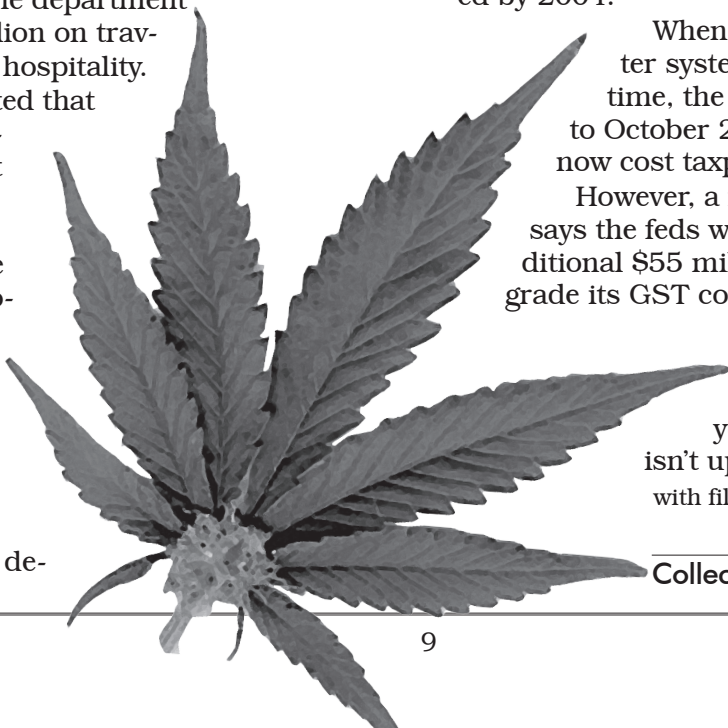
The department said the new system would cost taxpayers \$98.5 million and be completed by 2004.

When it was clear the computer system would not be ready on time, the feds revised the due date to October 2006 and said it would now cost taxpayers \$145 million.

However, a recent audit of the system says the feds will have to fork out an additional \$55 million to help Quebec upgrade its GST computers.

Though it's now officially double its original budget, don't hold your breath — the system isn't up and running yet.

with files from the *London Free Press*



Collection problems in dope land.

ACCOUNTABILITY: THE NEXT STEPS

The Harper Government's 60 POINT ACCOUNTABILITY REPORT CARD

For a great many Canadians the main issue in the election campaign was accountability: restoring ethics in government, holding public servants accountable for their decisions, and ending Ottawa's costly culture of entitlement.

Judge John Gomery's first report, released in November, revealed that of the \$355-million spent on the Quebec sponsorship program approximately \$150-million went to Liberal-friendly ad agencies, many of whom charged the federal government for work of little or no value. Taxpayers were outraged. They demanded that heads roll and that somebody take responsibility for wasting tax dollars. They waited — nothing happened — and little seemed to change.

During the subsequent campaign, Stephen Harper unveiled a sweeping plan to reform how Ottawa is governed. On Jan. 23 voters turned to his

Conservative Party. At the same time, voters sent a healthy number of New Democrat MPs to Parliament. Jack Layton made cleaning up politics the centerpiece of his campaign.

Could it be that our politicians are finally listening?

Just days after the vote, Judge Gomery released his second report containing recommendations aimed at ensuring Adscam would never repeat itself. Your CTF and many Canadians were optimistic that the tough tone of his first report would repeat itself. But unfortunately, this second report is disappointingly narrow in its sweep. It contains a mere 18 recommendations of which only 6 are not already covered by the Conservatives' and NDPs' accountability plans. They are:

- ☐ Giving the Registrar of Lobbyists the power to prosecute and



**by John
Williamson**
Federal Director



ACCOUNTABILITY NATIONAL POST STEPS

penalize violators of the *Lobbyists Registration Act* and the Lobbyists' Code of Conduct.

- ☐ Strengthening the Values and Ethics Code for the Public Service by adding specific rules and changing it into a law.
- ☐ Making violating section 34 of the *Financial Administration Act* (which requires certification that all work has been performed or all services have been provided before payment is made) grounds for firing without compensation.
- ☐ Ensuring that any "special reserve" funds created by Cabinet are under the control of Treasury Board and issue an annual, public report.
- ☐ Ensuring that Deputy Ministers are selected through a competitive, merit-based process, and that Deputy Ministers, Assistant Deputy Ministers, and other senior civil servants all have a fixed term of office of between three to five years (to ensure accountability is consistent through these time periods, and to protect them from being fired for challenging Cabinet Ministers).
- ☐ Ensuring that MPs on the Public Accounts Committee serve through the entire period between elections, to ensure consistent and effective oversight over spending by Cabinet Ministers and government departments and institutions.

Judge Gomery concluded, "I have become convinced that we need to rebalance the relationship between Parliament and the government in order to attain better accountability

The 'sheriff' makes last ride to town

Gomery returns to spotlight with final report's release



GRAEME HAMILTON in Montreal

“The pages that follow detail the Conservative Party’s platform on accountability. These 54 points combined with the 6 points outlined in Judge Gomery’s report will make up your CTF’s ‘60 Point Accountability Report Card.’”

with-
in government.”

(Emphasis added.) Few Canadians will argue with him. Taxpayers, however, expect reforms to change Ottawa’s culture of secrecy, entitlement and lawbreaking that rarely results in penalties or sanctions being imposed. Of course, this will require greater accountability with-in government as well as mandating more accountability *outside* government, between public servants and citizens. Neglected by Judge Gomery are the gaping holes in Ottawa’s freedom of information and whistleblower protection laws, to highlight just two areas.

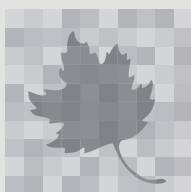
If the Gomery Commission was a let down it is because it addressed solutions to prevent one specific scandal. Canadians, however, want solutions to fix a generation of scandals. They might still get it.

Hours after reviewing the Gomery findings, Prime Minister Harper re-affirmed his promise to pass the Conservatives’ own *Federal Accountability Act*. His proposals include specific measures to reform how political parties and candidates are financed, strengthen the *Lobbyist Registration Act*, ensure appointments are merit-based, reform the government’s procurement process so it is free from political interference, legislate an effective whistleblower law, increase the powers of the auditor-general as well as those of the eth-

ACCOUNTABILITY: THE NEXT STEPS

ics and information commissioners, dramatically expand Ottawa's freedom of information law, improve government auditing, and establish an independent director of public prosecutions. Similarly, The New Democratic Party proposes reforms to fix government and make it more transparent to Canadians.

The pages that follow detail the Conservative Party's platform on accountability. These 54 points combined with the 6 points outlined in Judge Gomery's report will make up your CTF's



“In the weeks after the opening of Parliament your CTF will be a tireless squeaky wheel on the accountability file.”

“60 Point Accountability Report Card.”

In the weeks after the opening of Parliament your CTF will be a tireless squeaky wheel on the accountability file. We will return to Parliament Hill — time and time again — to ensure these specific proposals become law. We will blow the whistle whenever the legislation is bogged down in politics or partisan bickering. And we will work to ensure Canadians finally have the government they were promised.■

2005 Federal Conservative Party Platform

STAND UP FOR CANADA * STAND UP FOR ACCOUNTABILITY

The first piece of legislation to be introduced by the Conservative government will be the Federal Accountability Act, a sweeping plan to clean up government.

Reform the financing of federal political parties:

- ☐ 1. Limit individual donations to parties or candidates to a maximum of \$1,000.
- ☐ 2. Prohibit all corporate, union, and organization donations to political parties, ridings, and candidates.
- ☐ 3. Ban cash donations to political parties or candidates of more than \$20.
- ☐ 4. Extend to ten years the period for

which *Elections Act* violations can be investigated and prosecuted.

Toughen the Lobbyists Registration Act:

- ☐ 5. Extend to five years the period during which former ministers, ministerial staffers, and senior public servants can-

“Require ministers and senior government officials to record their contacts with lobbyists.”

not lobby government.

- ☐ 6. Ban success or contingency fee arrangements.



ACCOUNTABILITY: THE NEXT STEPS

- ☐ 7. Require ministers and senior government officials to record their contacts with lobbyists.
- ☐ 8. Make the Registrar of Lobbyists an independent office of Parliament.
- ☐ 9. Give the Registrar of Lobbyists the mandate and resources to investigate violations.
- ☐ 10. Extend to ten years the period during which violations can be investigated and prosecuted.

Ban secret donations to political candidates:

- ☐ 11. Prohibit nominated candidates or MPs seeking re-election from accepting large personal gifts.
- ☐ 12. Ban the use of trust funds to finance candidates' campaigns.
- ☐ 13. Require that all sitting or elected MPs report the existence of any trust funds or secret accounts, and that such accounts be wound up.

Make qualified government appointments:

- ☐ 14. Ensure that all Officers of Parliament are appointed through consultation with all parties in

“Prohibit nominated candidates or MPs seeking re-election from accepting large personal gifts.”

the House of Commons and confirmed through a secret ballot of all Members of Parliament, not just named by the prime minister. This appointment process will cover:

- The Ethics Commissioner
- The Auditor General
- The Chief Electoral Officer
- The Information Commissioner
- The Privacy Commissioner
- The Registrar of Lobbyists

- ☐ 15. Establish a public appointments commission to set merit-based requirements for appointments to government boards, commissions, and agencies, to ensure that competitions for posts are widely publicized and fairly conducted.
- ☐ 16. Prevent ministerial aides and other political appointees receiving favoured treatment when applying for public service positions.

Clean up government polling and advertising:

- ☐ 17. Ensure that all government public opinion research is automatically published within six months of the completion of the project, and prohibit verbal-only reports.
- ☐ 18. Ensure that an independent review is conducted of government public opinion research practices discussed in Chapter 5 of the Auditor General's November 2003 report to determine whether future action, such as a judicial inquiry, is required.
- ☐ 19. Open up the bidding process for government advertising and public opinion contracts to prevent insider firms from monopolizing

ACCOUNTABILITY: THE NEXT STEPS

government business.

Clean up the procurement of government contracts:

- ☐ 20. Review and amend all contracting rules to make the government's procurement process free from political interference.
- ☐ 21. Appoint a Procurement Auditor to ensure that all procurements are fair and transparent, and to address complaints from vendors.
- ☐ 22. Permit smaller vendors and vendors outside of the National Capital Region to receive due consideration for government contracts.

Provide real protection for whistleblowers:

- ☐ 23. Give the Public Service Integrity Commissioner the power to enforce compliance with the Public Servants Disclosure Protection Act.
- ☐ 24. Ensure that all Canadians who report government wrongdoing are protected, not just public servants.
- ☐ 25. Remove the government's

ability to exempt Crown corporations and other bodies from the Act.

- ☐ 26. Require the prompt public disclosure of information revealed by whistleblowers, except where national security or the security of individuals is affected.
- ☐ 27. Ensure that whistleblowers have access to the courts and that they are provided with adequate legal counsel.
- ☐ 28. Establish monetary rewards for whistleblowers who expose wrongdoing or save taxpayers dollars.

Ensure truth in budgeting with a Parliamentary Budget Authority:

- ☐ 29. Create an independent Parliamentary Budget Authority to provide objective analysis directly to Parliament about the state of the nation's finances and trends in the national economy.
- ☐ 30. Require government departments and agencies to provide accurate, timely information to the Parliamentary Budget Authority to ensure it has the information it needs to provide accurate analyses to Parliament.
- ☐ 31. Ensure the government fiscal forecasts are updated quarterly and that they provide complete data for both revenue and spending forecasts.

“Ensure that all Officers of Parliament are appointed through consultation with all parties in the House of Commons and confirmed through a secret ballot of all Members of Parliament, not just named by the Prime Minister.”

Strengthen the power of the Auditor-General:

- ☐ 32. Ask the Auditor General to conduct, on an expedited basis, an audit of all federal grant, contribution, and contracting policies, and will commit to following her recommendations.

ACCOUNTABILITY: THE NEXT STEPS

- ☐ 33. Increase funding for the Office of the Auditor General to ensure she has the necessary resources to conduct a complete audit of grant and contribution programs and of any such departments, agencies, and Crown corporations as she deems necessary.
- ☐ 34. Allow the Auditor General to “follow the money” to end recipients by providing her with the statutory authority to conduct audits of the records, documents, and accounts of any individual, institution, or company that receives grants, contributions, or transfers under an agreement with the Government of Canada.
- ☐ 35. Ensure that all granting programs are reviewed every five years.
- ☐ 36. Strengthen enforcement of government financial guidelines, and introduce new Criminal Code penalties for fraud involving the misuse of taxpayers’ money.
- ☐ 37. Give the Ethics Commissioner the power to fine violators.
- ☐ 38. Prevent the Prime Minister from overruling the Ethics Commissioner on whether the Prime Minister, a minister, or an official is in violation of the Conflict of Interest Code.
- ☐ 39. Enshrine the Conflict of Interest Code into law.
- ☐ 40. Close the loopholes that allow ministers to vote on matters connected with their business interests.
- ☐ 41. End “Venetian blind” trusts that allow ministers to remain informed about their business interests, and require all ministerial assets to be placed in truly blind trusts.
- ☐ 42. Allow members of the public – not just politicians – to make complaints to the Ethics Commissioner
- ☐ 43. Make part-time or non-remunerated ministerial advisers subject to the Ethics Code.

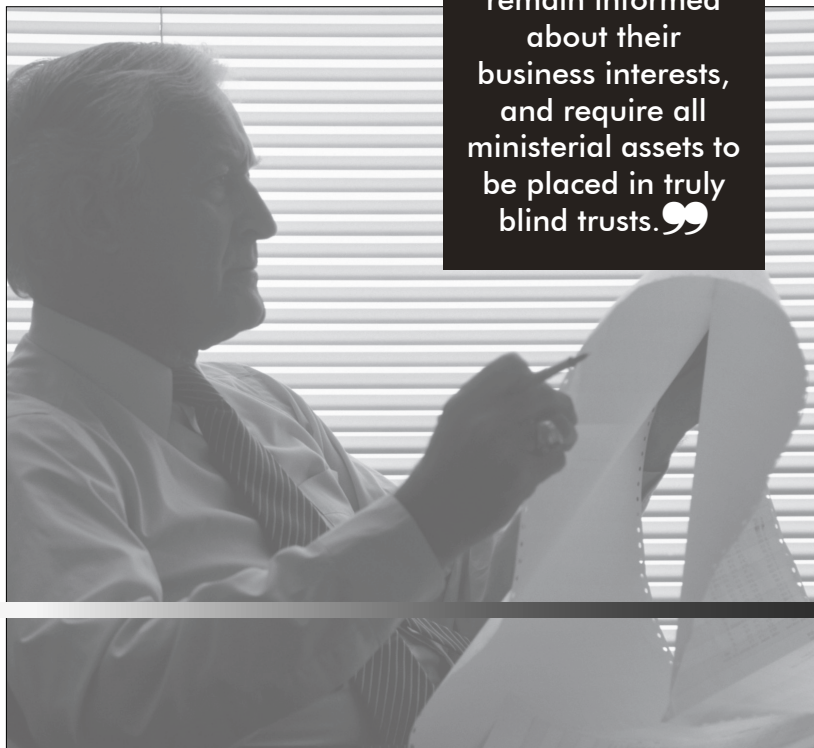
Strengthen the role of the Ethics Commissioner:

- ☐ 37. Give the Ethics Commissioner the pow-

“End ‘Venetian blind’ trusts that allow ministers to remain informed about their business interests, and require all ministerial assets to be placed in truly blind trusts.”

Strengthen Access to Information legislation:

- ☐ 44. Implement the Information Commissioner’s recommendations for reform of the *Access to Information Act*.
- ☐ 45. Give the Information Commissioner the power to order the release of information.
- ☐ 46. Expand the coverage of the act to all Crown corporations, Officers of Parliament, foundations, and organizations that spend taxpayers’ money or perform public functions.
 - Subject the exclusion of Cabinet confidences to review by the Information Commissioner.



ACCOUNTABILITY: THE NEXT STEPS

- Oblige public officials to create the records necessary to document their actions and decisions.
- Provide a general public interest override for all exemptions, so that the public interest is put before the secrecy of the government.
- Ensure that all exemptions from the disclosure of government information are justified only on the basis of the harm or injury that would result from disclosure, not blanket exemption rules.
- Ensure that the disclosure requirements of the *Access to Information Act* cannot be circumvented by secrecy provisions in other federal acts, while respecting the confidentiality of national security and the privacy of personal information.

Strengthen auditing and accountability within departments:

- ☐ 47. Give the Comptroller General the overall authority for the internal audit function in each government department.
- ☐ 48. Designate the deputy minister of each government department or agency as the Accounting Of-

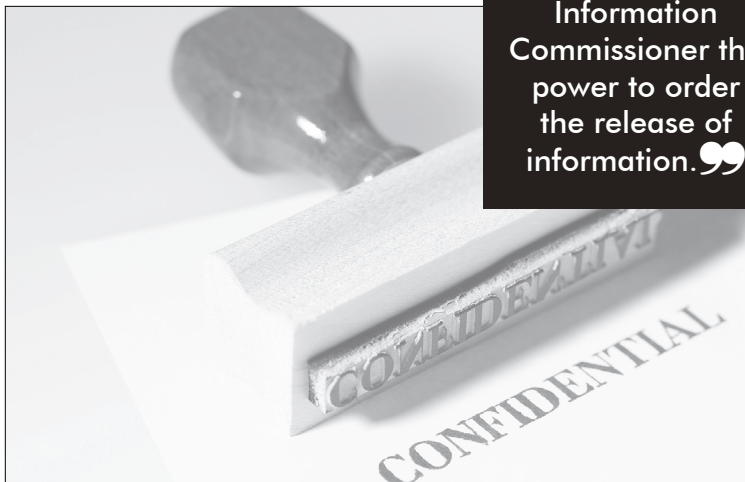
ficer for that department. The deputy will be responsible to Parliament for the departmental spending and administrative practices of his or her department.

- ☐ 49. Require that, in the event of a disagreement between a minister and a deputy minister on a matter of administration, the minister must provide written instruction to the deputy minister and notify the Auditor General and Comptroller General of the disagreement.

Create a Director of Public Prosecutions:

- ☐ 50. Create the office of the Director of Public Prosecutions, with the responsibility to conduct prosecutions under federal jurisdictions.
- ☐ 51. Give the Director of Public Prosecutions the power to make binding and final decisions to prosecute or not unless the Attorney General or Deputy Attorney General instructs the Director to do otherwise by means of public written notice.
- ☐ 52. Appoint the Director of Public Prosecutions from among qualified candidates recommended by a committee which will include representatives of the opposition parties in Parliament.
- ☐ 53. Give the Director of Public Prosecutions the mandate to review recent decisions on prosecutions in the sponsorship scandal and other matters which have been the subject of investigation by the Auditor General and the Ethics Counsellor or Commissioner.
- ☐ 54. Structure the Office of the Director of Public Prosecutions in accordance with best practices in other jurisdictions such as British Columbia, Nova Scotia, Australia and the United Kingdom.

“Give the Information Commissioner the power to order the release of information.”



the Harper Government Embrace Voting Change?

*Guest Commentary
by Larry Gordon*

Another election, and another example of just how badly Canada needs a new voting system. The question is, will Stephen Harper be any more willing than his predecessors to let Canadians choose something better?

Voters would like their voting system to make every vote count and produce legitimate and democratic majority rule in Parliament. Nothing controversial here — except Canada's first-past-the-post voting system does none of that.

Consider the following results from the January 23 election:

- More than 440,000 Conservative voters in Toronto, Montreal and Vancouver could not elect a single Conservative MP. Meanwhile, 475,000 Liberal voters in Atlantic Canada elected 20 Liberal MPs.
- The Conservative vote went up

in British Columbia, but five fewer Conservative MPs were elected.

- In Quebec, the Bloc Québécois had less than twice the Conservative vote, but elected five times as many MPs.

Conservative voters were not the only victims:

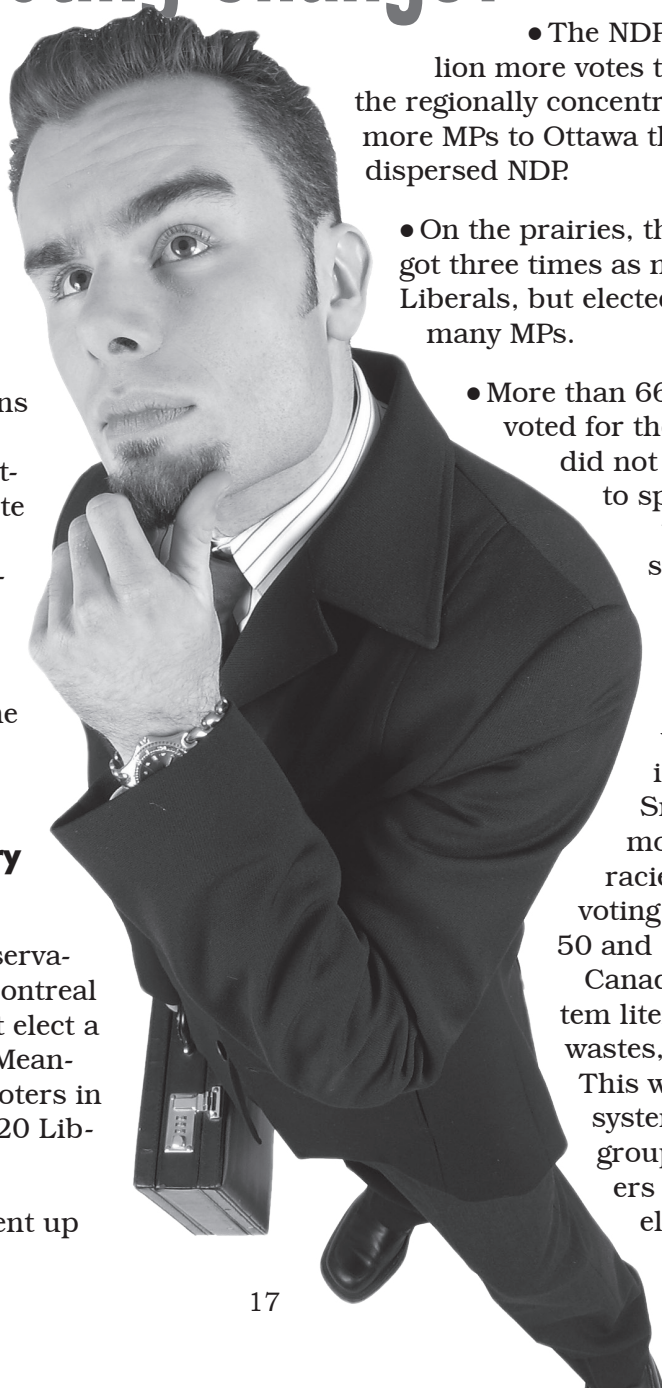
- The NDP received a million more votes than the Bloc, but the regionally concentrated Bloc sent 22 more MPs to Ottawa than the nationally dispersed NDP.

- On the prairies, the Conservatives got three times as many votes as the Liberals, but elected ten times as many MPs.

- More than 665,000 Canadians voted for the Green Party, but did not elect a single MP to speak for them.

These bizarre results are business as usual with first-past-the-post voting. What we say with our ballots is not what we get. Small wonder that most major democracies scrapped this voting system between 50 and 100 years ago.

Canada's voting system literally ignores, or wastes, millions of votes. This winner-take-all system allows only one group of partisan voters in each riding to elect an MP. All oth-



Democratic Reform

er voters in the riding – often the majority – have no representation *of their own choice*. More than seven million of us cast wasted votes on January 23.

A recent analysis by Fair Vote Canada shows that the largest numbers of wasted votes are cast for Conservative candidates, although huge numbers of wasted votes are also cast for Liberal, NDP, Green, and other candidates.

Between 1980 and 2004, Canada held seven general elections. During this period, 16,264,344 votes were cast for Conservative candidates who did not get elected (Progressive Conservative, Reform, Canadian Alliance, and the new Conservative Party) compared to 13,662,048 Liberal votes, 10,035,028 NDP votes, 1,549,541 Bloc votes, and 2,770,569 votes cast for other parties and independents.

In all, Canadian voters during this period cast 44,281,530 votes that did not elect anyone, and indeed made no difference at all to the outcome of the election. Just over half of all votes cast were completely wasted.

The cumulative effect of wasting millions of votes is a dangerously distorted law-making body. Some parties gain more seats and power than deserved, while others win too few seats or find themselves completely shut out.

The 1993 election was the ultimate jaw-dropper. The Progressive Conservative party got more than two million votes, but sent only two MPs to Ottawa, while the separatist Bloc, although they finished fourth in votes, elected 54 MPs and became the official opposition.

“Canada’s voting system literally ignores, or wastes, millions of votes. This winner-take-all system allows only one group of partisan voters in each riding to elect an MP. All other voters in the riding – often the majority – have no representation of their own choice. More than seven million of us cast wasted votes on January 23.”

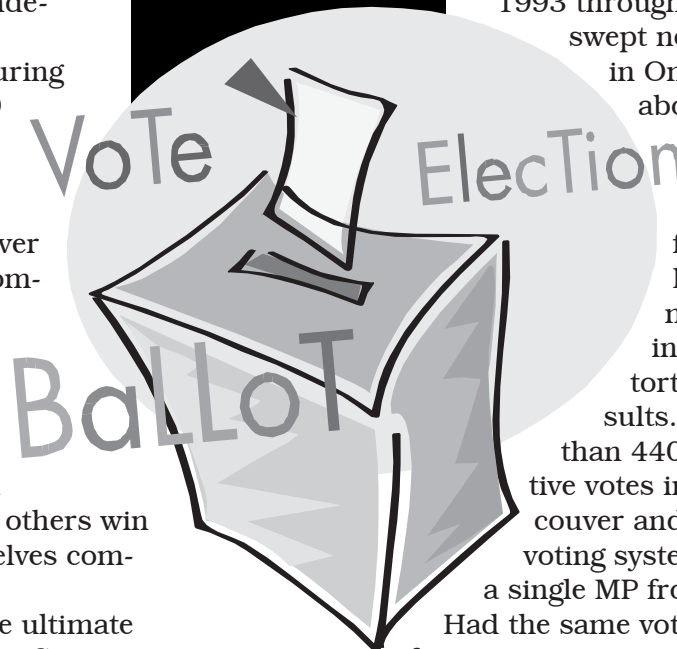
The system exaggerates and inflames regional tensions. Parties acquire far too many seats in regions or areas where their support is concentrated, often denying any representation at all to supporters of other parties. Conservative parties have been drastically under-represented in Ontario and Quebec, particularly in the urban centres, and over-represented in the West. The Liberals have the opposite problem.

For years, many westerners unfairly chided Ontarians for turning their backs on Conservative parties, when in fact the results were not reflecting what voters said.

Between 1980 and 2004, 66 per cent of all Ontario conservative votes were wasted. From 1993 through 2000, Liberals swept nearly every seat in Ontario by winning about half the votes.

Stephen Harper has run into problems from day one of his new government while dealing with the distorted election results. Despite more than 440,000 Conservative votes in Montreal, Vancouver and Toronto, the voting system denied him a single MP from those cities.

Had the same votes been cast in a fair voting system, about nine Conservative MPs would have been elected in these three cities. The prime minister would then have been choosing his big-city ministers from properly elected MPs, rather than resorting to the controversial Senate and cab-



Democratic Reform

inet appointments of the unelected.

The campaign for a fair, proportional voting system in Canada rises above the usual battles of right against left, east against west, and countryside against city.

Canadians of every political stripe can agree that every citizen – regardless of political beliefs and place of residence – should be equal at the ballot box, and that democratic representative government requires legitimate majority rule.

CTF National Communications Director Troy Lanigan and then CTF Federal Director Walter Robinson were among

a small group who founded Fair Vote Canada (FVC) in April 2001. FVC aims to unite people of diverse political views in a common cause — the advancement of democratic values through a fair electoral system.

Our multi-par-

tisan campaign has struck a chord and electoral reform is now on the horizon. Five provinces are formally engaged in voting system reform programs. Ontario will likely hold a referendum on a new voting system in 2007, and BC, again, in 2008.

Prime Minister Stephen Harper, whose Conservative party has watched from the opposition benches for 80 of the past 100 years, could be the first federal leader in our history to put Canadian government on a genuinely democratic path.

To do so, he'll have to take a page from BC Premier Gordon Campbell's playbook. He'll have to acknowledge the sitting Parliament's obvious conflict of interest, appoint an independent citizens' assembly to study voting systems and propose one or more fair and proportional alternatives, and then let Canadians choose the best in a national referendum.

In this way, Stephen Harper would achieve what no other prime minister in our history has dared propose. He would raise Canada's system of politics and government to a higher plane, setting a democratic benchmark for North American and beyond. ■

Larry Gordon is Executive Director of Fair Vote Canada. Visit www.fairvote.ca for more information, to sign the online petition and/or join.

Do you receive TaxAction?

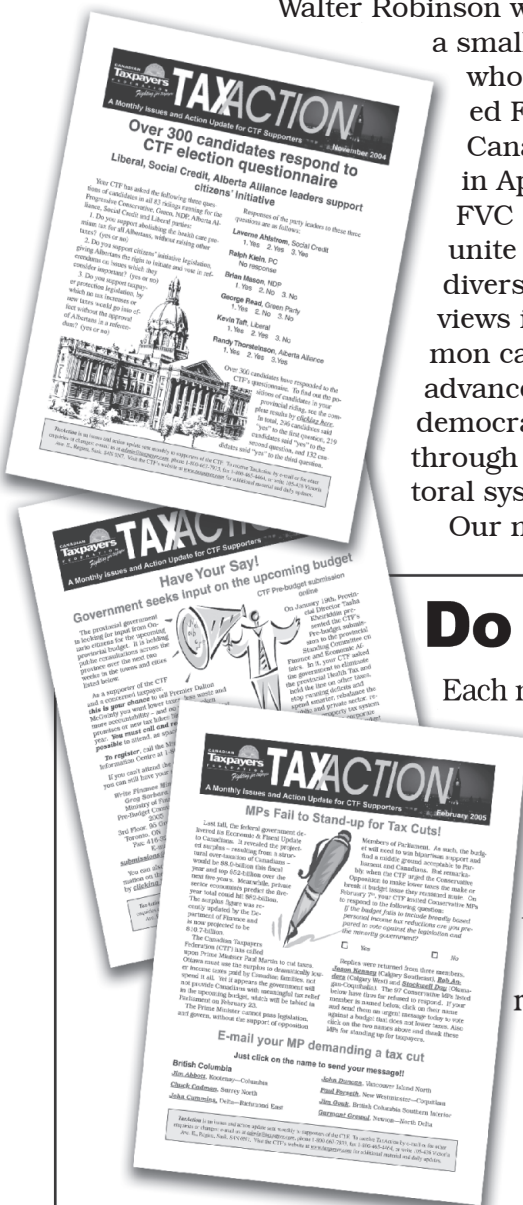
Each month, your CTF sends out (via fax or e-mail) an issues action update. **TaxAction** provides you, our supporters, updates on timely policy developments and information on ongoing CTF campaigns.

A **TaxAction** prior to this year's federal budget rallied supporters to make sure the new Conservative government got the message: no increases in income taxes to offset a GST cut!

If you are a current supporter, you are entitled to receive **TaxAction** either by e-mail or fax.

To receive TaxAction

Please call our administration offices using our toll-free number **1-800-667-7933** or e-mail us at admin@taxpayer.com.



Can Stephen Harper Deliver a Taxpayers' Agenda?

CTF Unwraps its Top 20 Policy Priorities

Stephen Harper was not sent to Ottawa to revolutionize the federal government. He did not win a majority of votes or seats in the House of Commons. Instead, voters handed him a 124-seat minority government. Some say the Conservatives will be hobbled by the opposition Liberal, Bloc and New Democrat parties. This is true. Opposition parties routinely disrupt government agendas either in minority or majority parliaments. Still, Mr. Harper has an opportunity to transform federal-provincial relations, reform how tax dollars are spent and collected and clean up the culture of entitlement. This opportunity is welcome news for taxpayers.

Canadians expect Mr. Harper and his caucus to deliver much-needed reform. As prime minister, he can work to ensure the priorities of taxpayers are those of the federal government's. If he does, the Conservatives will have every opportunity to follow up with a majority government.

The new Parliament will likely last for 2 years and perhaps longer since voters do not welcome another election anytime soon. For the first year the Opposition Liberals will be distracted — their attention focused on electing a new leader. To track progress — or lack thereof — your CTF has sketched out its 20 priorities.



by **John Williamson**
Federal Director

- On Feb. 1, 2006, your CTF wrote in the *National Post* that Mr. Harper should limit his Cabinet to 24 members and not overload the executive with an excessive number of parliamentary secretaries. He came close to hitting that marker. When his government was sworn in on Feb. 6, he settled on 28 members. The size is down significantly from 40 under Martin's Liberals, which was tied for the largest in Canadian history. A welcome sign of restraint.
- The cabinet's first task is to determine what

NATIONAL POST A taxpayers' agenda

JOHN WILLIAMSON

Once Stephen Harper is sworn in on Monday, he will be in a position to deliver much-needed reform in Ottawa.

Even with only a minority of seats in the House of Commons, Mr. Harper has an opportunity to transform federal-provincial relations, modernize Ottawa's democratic institutions, and change the way tax dollars are spent and collected. As prime minister, he can ensure the priorities of taxpayers are those of the federal government's.

There is much to be done. To track Mr. Harper's progress, my organization, the Canadian Taxpayers Federation, has sketched out the following priorities.

■ First, Mr. Harper should limit his Cabinet to 24 members and not overload the executive with an excessive number of parliamentary secretaries.

■ The Cabinet's first task will be determining what to do with Justice John Gomery's accountants' recommendations. More transparency is needed for Canadians. The Gomery report

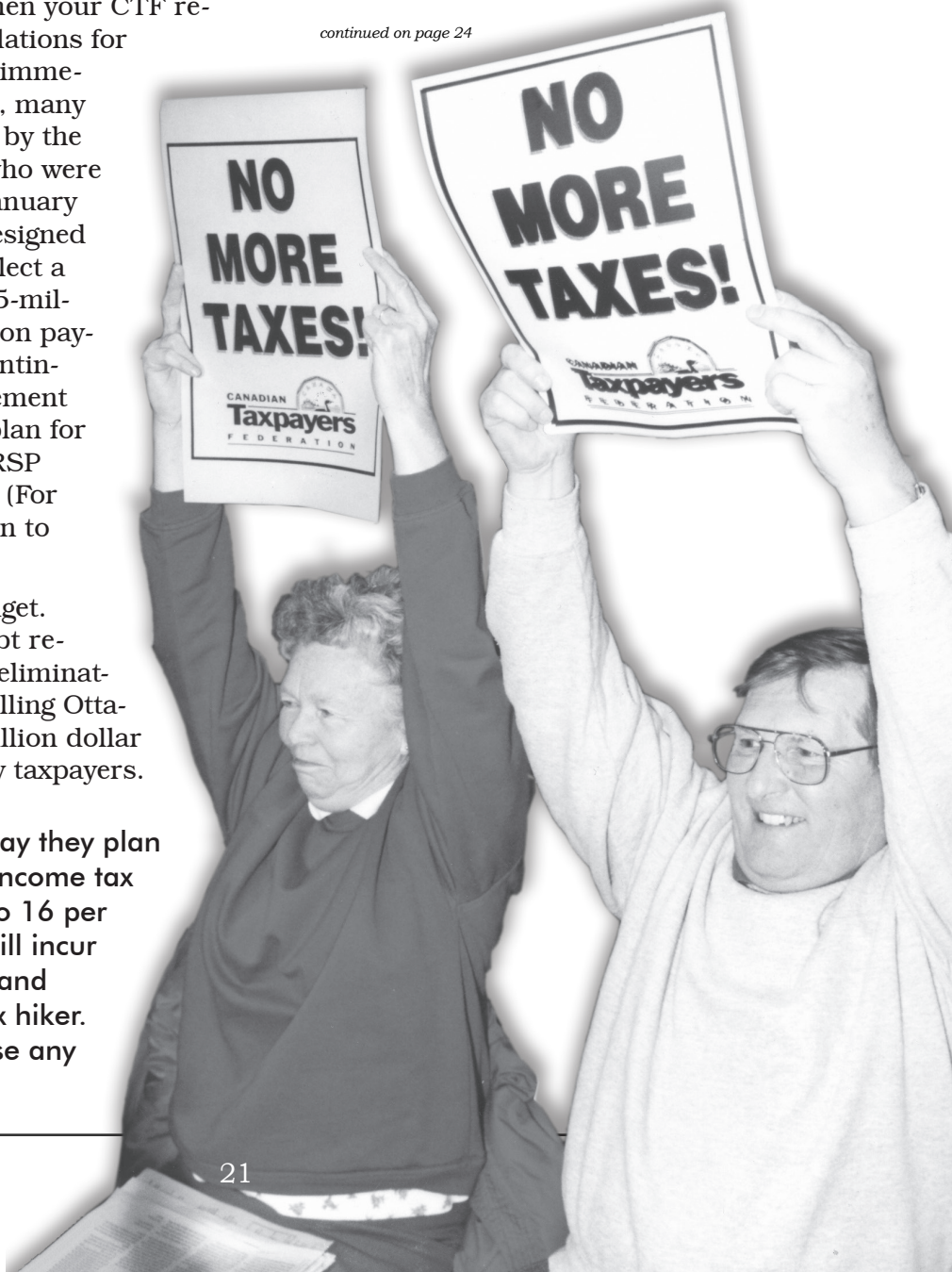
to do with Justice John Gomery's accountability recommendations. Greater accountability is a top priority for Canadians, and the prime minister has repeated his pledge that his government's first piece of legislation will be an accountability reform package. Your CTF will be watching to ensure that happens! (For more on this, please flip to page 12)

- An additional step to undo Ottawa's culture of entitlement is reducing pension and severance entitlements paid to parliamentarians so they are in line with public expectations. When your CTF released its pension calculations for Members of Parliament immediately after the election, many taxpayers were stunned by the largesse. The 66 MPs who were either defeated in the January 23 general election or resigned prior to the vote will collect a grand total of over \$77.5-million in cumulative pension payments. The CTF will continue to call for the replacement of the current pension plan for MPs with a matching RRSP plan for all lawmakers. (For more on this, please turn to page 26).
- Next up is the 2006 budget. Enacting a legislated debt repayment schedule, and eliminating the over-taxation fuelling Ottawa's multi-year, multi-billion dollar surpluses is expected by taxpayers.

“The Conservatives say they plan to increase the lowest income tax rate from 15 per cent to 16 per cent. Such a change will incur the wrath of taxpayers and peg Mr. Harper as a tax hiker. Our advice: Do not raise any taxes.”

- As promised, the new government should lower the GST. It should also reduce Employment Insurance tax premiums and preserve the Liberal's personal income tax reduction. The Conservatives say they plan to increase the lowest income tax rate from 15 per cent to 16 per cent. Such a change will incur the wrath of taxpayers and peg Mr. Harper as a tax hiker. Our advice: Do not raise any taxes.
- Make gas taxes a user fee and ensure municipalities put these tax revenues

continued on page 24



CTF's Top 20 Policy Priorities for the Harper Government!

- 1. Limit the new Conservative cabinet to 24 members** and do not overload the executive with parliamentary secretaries. Reform pension and severance entitlements for Members of Parliament so they are in line with public expectations.
- 2. Implement a multi-partisan Supreme Court nomination process** to provide Parliament with meaningful input from Members of Parliament. Similarly, secure multi-party support when naming the heads of Crown corporations, agencies and other top government jobs.
- 3. Enact a legislated debt retirement schedule.**
- 4. Replace federal cash transfers with "tax points" to the provinces.** This reform will moderate Ottawa's overreach into provincial jurisdiction; ensure provinces have secure tax revenue for health care, education and welfare spending; and provide taxpayers with greater accountability. There will be no increase in taxpayers' total tax bill.
- 5. Repeal Ottawa's current bureaucratic daycare plan** — with its misguided focus on warehousing children — and replace it with a universal tax credit or payment payable to all families with young children.
- 6. Respect the Supreme Court of Canada's *Chaoulli v. Quebec* decision.** Allow provinces to experiment with health care delivery, including private provision.
- 7. To increase accountability and transparency** establish an independent ombudsman for the Department of Indian Affairs that reports directly to Parliament. Amend the *Indian Act* to include matrimonial property rights and the *Human Rights Act*. Make greater use of Certificates of Possession.
- 8. The Senate: Elect or abolish the Upper Chamber.**
- 9. Scrap the \$10-billion Kyoto Protocol implementation plan** and protect the environment with a proposal that works. No tax dollars should be paid to developing countries for carbon dioxide emission credits — so-called "hot air."

- 10. Cut off all funding for the disastrous federal gun registry.**
- 11. Save taxpayers \$2-to-\$4-billion each year by abolishing the federal government's corporate welfare programs** that funnel subsidies to businesses and provide handouts to failed regional development projects. Corporate tax relief should be conditional on businesses forgoing subsidies.
- 12. Make gas taxes a user fee** and ensure municipalities put the tax revenues into potholes, highways and bridges. Return fuel tax revenues not spent on roads and infrastructure to motorists.
- 13. Establish a citizens' assembly on voting reform.**
- 14. Repeal the federal government subsidy that pays political parties \$1.79 per vote** received in the last general election. Bring charitable tax credits for political parties in line with what is offered for other charitable organizations.
- 15. Make foreign aid contingent** on a country's willingness to practice and promote democracy, respect for human rights, and government accountability.
- 16. Cut Employment Insurance tax premiums** to shrink the program's multi-year and multi-billion dollar surpluses.
- 17. Give citizens the ability to recall promise-breaking politicians** from office and petition — via referenda — for the enactment or repeal of laws between elections.
- 18. Lower taxes** and eliminate Ottawa's multi-billion dollar structural over-taxation of Canadians. Reform the tax regime so it is simpler, lower and flatter.
- 19. Purge government waste** by curtailing Ottawa's \$22-billion discretionary spending budget. Limit future program spending increases to inflation and population growth.
- 20. Establish an accountable and transparent government** by passing the Conservative Party's proposed Accountability Act and implement Judge John Gomery's recommendations.

continued from page 21

into potholes, highways and bridges. Fuel tax revenues not spent on roads and infrastructure ought to be returned to motorists.

- To temper Ottawa's overreach into the provincial jurisdictions of health care and education, federal tax points should be relinquished to the provinces.
- On the health care front, the federal government should respect the Supreme Court of Canada's 2005 *Chaoulli v. Quebec* decision, and permit provinces to experiment with medicare delivery reform – including the use of private health care.

- When it comes to spending, the new government must be cautious and limit program spending increases to those correlated with inflation and population growth. Waste, overlap and duplication can easily be reduced by curtailing Ottawa's \$22-billion discretionary spending budget.

- Abolishing corporate welfare programs will save \$2-to-\$4-billion each year. These wasteful projects funnel subsidies to businesses and provide handouts to failed regional development projects. Corporate tax relief should be conditional on businesses forgoing subsidies.

- Many more tax dollars can be saved by cutting off funding for the disastrous federal gun registry and scrapping Ottawa's \$10-billion Kyoto Protocol implementation plan. Canadians want a clean environment and proposals that work. No tax dollar should be paid to developing coun-

tries for carbon dioxide emission credits — so-called “hot air” — to meet Kyoto targets.

- The Liberals' bureaucratic daycare plan, with its misguided focus on warehousing children, must be repealed and replaced with a universal tax credit or payment payable to all families with young children.
- To increase accountability and transparency within the aboriginal portfolio, an independent ombudsman for the Department of Indian and Northern Affairs

should be established that reports directly to Parliament. Ottawa should further amend the *Indian Act* to include matrimonial property rights and the *Human Rights Act*.

- Abroad, our values should be reflected by making our foreign aid contingent on a country's willingness to practice and promote democracy, respect for human rights and government accountability. Communist China should not be Canada's largest foreign aid recipient – divert that money elsewhere.

- The government's appointment protocols must be overhauled. With a vacancy on the Supreme Court, Mr. Harper must quickly implement a multi-partisan nomination process that ensures MPs have meaningful in-

“On the health care front, the federal government should respect the Supreme Court of Canada's 2005 *Chaoulli v. Quebec* decision, and permit provinces to experiment with medicare delivery reform – including the use of private health care.”

NATIONAL POST, WEDNESDAY, DECEMBER 28, 2005

ANNUAL REVIEW

Canadian Taxpayers Federation says there's room for more cuts

The Canadian Taxpayers Federation released its annual report on the average savings to those earning \$35,000 or more with the introduction of the new tax system. John Williamson, pictured, welcomed all tax relief for Canadians to go. He said recent multi-billion-dollar federal surplus has allowed the government to increase the amount of money Canadians can save. The federation also reduced the lowest personal income tax rate. The federation says Canadians will save, on average, \$35,000 or more with the new tax system.

put.
When naming the heads of Crown corporations, agencies and other top government jobs, similar multi-party support must be secured. A citizens' assembly on voting reform should be established, and the Senate should either be elected or abolished.

Canadians should be empowered to recall promise-breaking politicians from office and petition for the enactment or repeal of laws between elections.

- Finally, before the next election, it will be necessary to bring tax credits for political parties in line with what is offered for other charitable organizations, and to do away with the subsidy that pays political parties \$1.79 per

vote received in the last general election.

As Opposition leader, Mr. Harper said he was a

“As
Opposition
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Canadians
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friend
to taxpayers.
Canadians will know soon enough whether that is true. Your CTF's "Top 20 Policy Priorities" list reflects many long time CTF priorities bridged with Conservative Party election promises. The bridge is not connected in all cases, but where it is we hope to move the agenda forward. These are the priorities your CTF will be pushing over the course of this minority Parliament. Depending how well the Harper government fulfils these policies will determine the level of cheers – or jeers – from Canadian taxpayers.■



The Golden Handshake...

by Adam Taylor

Sixty-seven MPs were either defeated or resigned voluntarily prior to the January 23rd federal election. But their relationship with taxpayers is far from over. Defeated and retiring members will have a soft landing thanks to gold-plated pensions and rich severance packages. Shed no tears for the departed dear taxpayer ... you'll be looking after them for years to come.

Thirty-one of these former members go straight to GO and begin immediately collecting a pension, while 35 hit the lottery at FREE PARKING receiving a generous severance payout. Fifteen lucky members manage to land on both spots!

Severance totals come to just shy of \$2.7-million while first year pension benefits total a cool \$3.4-million. Indexed to age 75, these 46 former politicians can expect to cumulate — wait for it — \$77.5 million in pension benefits alone. I'm sure they're grateful. After all, taxpayers contribute over \$4 for every \$1 MPs put in their pension kitty.

However, one politician who retired this year that won't be collecting the \$68,737-pension he's eligible for. In 1995, Kelowna-Lake Country MP Werner Schmidt, along with 60 others, voluntarily opted out of the MP pension plan on the grounds it was too rich. Three years later all but two had opted back in: Werner Schmidt and Preston Manning. Politicians that keep their word and practice what they preach are a rare breed. Your CTF commends these men of principle and character!

Severance

Imagine taking a job, working for 18 months, deciding it's not for you and resigning. But wait ... Your employer hands you



“The CTF [has] for years been doing yeoman's work watchdogging inflated parliamentary pensions.”

Vancouver Sun
January 28, 2006

\$72,150 in severance before you head out the door. Not realistic? In Ottawa it is. Despite voluntarily stepping aside, Canadian taxpayers will pay two former Bloc MPs \$144,300 for their 18 months in parliamentary service dedicated to breaking up the country.

All former MPs are entitled to 50% of their pay in severance whether they are defeated or leave their positions voluntarily. Severance payouts range from a low of \$72,150 to a high of \$106,750.

Softening the Blow

Departing MPs also receive a \$15,000 – non non-receiptable and non-taxable “allowance” to cover “outstanding constituent



PENSIONS AND SEVERANCE PAY

MPs not leaving office empty-handed

More than \$72M in pensions on the way

BY CARLY WEEKS

OTTAWA — Former cabinet ministers and retiring MPs have something to look forward to while they clean out their parliamentary offices over the next few weeks — their severance pay.

Every election, it's the same thing. After the satisfaction of exercising our democratic right to throw the bums out (and we really did it this time), we're treated to the sorry sight of those same folks belying up to the trough for millions in severance and pension payments.

It's not that departing MPs, ministers and assorted government hangers-on shouldn't get a parting package. As they know better than anyone, they are entitled to it. It's just that every time we elect a new government, we pay out so much more money than we should.

At least six years are eligible to collect pensions at age 55. If an MP has served fewer than six years, he or she will be able to collect severance pay equal to 50 per cent of their 2000 salary.

pension benefits would now be calculated on a 'best five year average' with a base income of \$131,000 instead of \$69,000. MP's can earn up to a maximum of 75% of their total MP indemnity in annual pension income and begin collecting at the ripe age of 55.

Today, base MP pay is up to \$144,300. Add in indexation and additional top ups for extra duties such as cabinet and your CTF calculates four former MPs (Don Boudria, Ethel Blondin-Andrew, Paddy Torsney and Toni Valeri) can each expect to collect over \$3-million in benefits to age 75. Five former MPs (Anne McLellan, Richard Marceau, Andy Mitchell, Tony Ianno and Eleni Bakopanos) fall into the \$2-million club while 27 others — paupers by comparison really — will collect well in excess of \$1-million in estimated lifetime pension benefits.

Compensation Reform

The CTF does not oppose the principle of a pension plan for MPs. However, the organization has long advocated for the introduction of a matching dollar-for-dollar defined contribution pension arrangement — as the CTF successfully campaigned for in B.C., Alberta, Manitoba, and Ontario.

If the new Conservative government is serious about cleaning up Ottawa and the culture of entitlement they might start by reforming MP severance and pension provisions that are completely removed from the reality of the taxpayers that pay for them. It is time to bring MP pay and pensions in line with the expectations of the people who pay for them. ■

Gold-plated MP pensions have to go

Every election, it's the same thing. After the satisfaction of exercising our democratic right to throw the bums out (and we really did it this time), we're treated to the sorry sight of those same folks belying up to the trough for millions in severance and pension payments.

It's not that departing MPs, ministers and assorted government hangers-on shouldn't get a parting package. As they know better than anyone, they are entitled to it. It's just that every time we elect a new government, we pay out so much more money than we should.

Defeated MPs have cash cushion

Generous pensions and severance pay take the sting out of election loss

BY CARLY WEEKS
CanWest News Service

OTTAWA — Former cabinet ministers and retiring MPs have something to look forward to while they clean out their parliamentary offices over the next few weeks — their severance pay.

reformed," said John Williamson, federal director of the organization.

Dozens of outgoing politicians will receive pensions and severance pay from the government now that their term in office is over. Those who have served at least six years are eligible to collect

March. The former Western Arctic representative will receive nearly \$138,000 annually and collect almost \$4 million in pension benefits by the time she's 75, according to the federation.

\$130,000 a year.

The taxpayers federation traditionally publishes a list of MPs and the hefty pensions they'll receive once they leave the public spotlight as a public service, Williamson said. It's important for Canadians to realize how much of a

Pension and Severance payouts

for defeated or retiring MPs after January 23, 2006 federal election

The following chart lists the severance and pension payouts for all eligible MPs who either resigned prior to the January 23, 2006 federal election or were defeated.

The list includes the name of the MP, party affiliation, reason for eligibility, severance payout, first year pension at age 55 and total accumulated pension to age 75.

- In most cases severance payment is a lump sum equal to 50% of the total sessional allowance plus any additional salary.
- Pension is based on five best years salary-wise multiplied by total accrual based on time served. Prior to 1995, accrual rate was 5% per year. From 1995 to 2001, accrual rate was 4% per year. From 2001 onward, accrual rate is 3% per year. Maximum accrual is 75% of an MP's best five years' salary.
- A member who is over 55 is not eligible for a severance as he/she will immediately receive a pension.
- A member under the age of 55 is eligible for severance even if he/she qualifies for a pension.

*Indexation for inflation is calculated at 2.0 per annum. **Ed Broadbent's pension is estimated based on the years 1985 to 1989 as NDP Leader.

Member (Alphabetical)	Party	Reason	Severance	Pension (2006 Value)	Cumulative Value of pension to age 75*
Adams, Peter	Liberal	Resigned	n/a	\$73,380	\$545,528
Alcock, Reg	Liberal	Defeated	n/a	\$83,897	\$1,916,254
Anderson, David	Liberal	Resigned	n/a	\$116,400	\$999,058
Augustine, Jean	Liberal	Resigned	n/a	\$84,605	\$726,162
Bakopanos, Eleni	Liberal	Defeated	\$79,450	\$74,562	\$2,388,243
Bergeron, Stephane	Bloc	Resigned	n/a	\$67,149	\$3,491,370
Blondin-Andrew, Ethel	Liberal	Defeated	\$35,583	\$137,820	\$3,762,346
Boire, Alain	Bloc	Resigned	\$72,150	n/a	n/a
Boivin, Francoise	Liberal	Defeated	\$72,150	n/a	n/a
Boudria, Don	Liberal	Resigned	n/a	\$135,906	\$3,302,158
Boulianne, Marc	Bloc	Defeated	\$72,150	n/a	n/a
Bradshaw, Claudette	Liberal	Resigned	n/a	\$59,262	\$1,439,911
Broadbent, Ed**	NDP	Resigned	n/a	\$77,000	\$572,440
Bulte, Sarmite	Liberal	Defeated	\$79,450	\$43,890	\$1,335,215
Carr, Gary	Liberal	Defeated	\$74,800	n/a	n/a
Carroll, Aileen	Liberal	Defeated	n/a	\$49,573	\$857,287
Catterall, Marlene	Liberal	Resigned	n/a	\$109,408	\$1,197,987
Chatters, David	Conservative	Resigned	\$34,012	\$69,698	\$1,902,685
Clavet, Roger	Bloc	Defeated	\$49,100	n/a	n/a
Cleary, Bernard	Bloc	Defeated	\$72,150	n/a	n/a
Cote, Guy	Bloc	Defeated	\$72,150	n/a	n/a
Desjarlais, Bev	Independent	Defeated	\$72,150	\$40,072	\$1,349,258
Desrochers, Odina	Bloc	Defeated	\$49,100	\$40,072	\$1,349,258
DeVillers, Paul	Liberal	Resigned	n/a	\$79,961	\$1,600,185
Drouin, Claude	Liberal	Resigned	\$79,450	\$47,658	\$1,684,440
Duncan, John	Conservative	Defeated	n/a	\$68,698	\$1,669,181

MP Pensions & Severance

Efford, John	Liberal	Resigned	\$106,750	n/a	n/a
Forseth, Paul	Conservative	Defeated	n/a	\$70,237	1,405,588
Frulla, Liza	Liberal	Defeated	\$106,750	n/a	n/a
Gagnon, Marcel	Bloc	Resigned	\$72,150	n/a	n/a
Gagnon, Sebastien	Bloc	Defeated	\$72,150	n/a	n/a
Gallaway, Roger	Liberal	Defeated	n/a	\$70,100	\$1,601,123
Godbout, Marc	Liberal	Defeated	\$72,150	n/a	n/a
Gouk, Jim	Conservative	Resigned	n/a	\$66,737	\$1,335,546
Grewal, Gurmant	Conservative	Resigned	\$72,150	\$41,215	\$1,527,066
Harrison, Jeremy	Conservative	Defeated	\$74,800	n/a	n/a
Ianno, Tony	Liberal	Defeated	\$106,750	\$76,536	\$2,835,571
Johnston, Dale	Conservative	Resigned	n/a	\$74,108	\$993,943
Kilgour, David	Independent	Resigned	n/a	\$128,228	\$1,719,805
Lapierre, Real	Bloc	Defeated	\$72,150	n/a	n/a
Lastewka, Walt	Liberal	Defeated	n/a	\$71,510	\$1,737,505
Longfield, Judi	Liberal	Defeated	n/a	\$43,659	\$934,840
Macklin, Paul	Liberal	Defeated	\$79,450	n/a	n/a
Marceau, Richard	Bloc	Defeated	\$72,150	\$40,681	\$2,547,038
McLellan, Anne	Liberal	Defeated	n/a	\$100,132	\$2,581,735
Mitchell, Andy	Liberal	Defeated	\$106,750	\$95,350	\$2,900,725
Myers, Lynn	Liberal	Defeated	\$49,867	\$41,647	\$1,136,921
O'Brien, Pat	Independent	Resigned	n/a	\$72,357	\$1,652,674
Paradis, Denis	Liberal	Defeated	n/a	\$58,303	\$1,416,610
Parrish, Carolyn	Independent	Resigned	n/a	\$68,718	\$1,375,190
Penson, Charlie	Conservative	Resigned	n/a	\$69,727	\$1,023,616
Pettigrew, Pierre	Liberal	Defeated	\$49,105	\$65,188	\$1,779,567
Phinney, Beth	Liberal	Resigned	n/a	\$102,308	\$997,977
Pickard, Jerry	Liberal	Resigned	n/a	\$81,980	\$997,591
Poirier-Rivard, Denise	Bloc	Resigned	\$72,150	n/a	n/a
Powers, Russ	Liberal	Defeated	\$72,150	n/a	n/a
Reynolds, John	Conservative	Resigned	n/a	\$88,510	\$1,299,356
Saada, Jacques	Liberal	Defeated	n/a	\$49,792	\$1,066,162
Savoy, Andy	Liberal	Defeated	\$77,300	n/a	n/a
Schmidt, Werner	Conservative	Resigned	n/a	n/a	n/a
Simard, Christian	Bloc	Defeated	\$72,150	n/a	n/a
Smith, David	Liberal	Defeated	\$72,150	n/a	n/a
Stinson, Darrel	Conservative	Resigned	n/a	\$67,708	\$1,262,029
Torsney, Paddy	Liberal	Defeated	\$79,450	\$69,945	\$3,225,274
Ur, Rose-Marie	Liberal	Resigned	n/a	\$68,718	\$1,375,190
Valeri, Tony	Liberal	Defeated	\$106,750	\$82,537	\$3,058,096
White, Randy	Conservative	Resigned	n/a	\$70,309	\$1,605,897

Total Annual Pension Payments: \$3,395,251

Total Cumulative Pension Payments to age 75 (est): \$77,481,601

Total Severance Payments: \$2,579,067

2006 BUDGET RECOMMENDATIONS

In January, your CTF released its 2006 budget recommendations. Once again, your CTF urged the government to adopt a legislated debt retirement plan. British Columbia's debt continues to rise despite consecutive years of massive surpluses. At last check, the debt stands at \$36 billion and over \$1.2 billion is spent each and every year on interest and debt servicing costs. According to the CTF's most recent supporter survey, a full 96 percent support a legislated debt retirement plan.

Many British Columbians are recognizing the need to address the debt and several presenters to the finance committee wanted to see the government retire the debt too. The auditor general has also highlighted the issue, noting that the total debt has increased by \$5.9 billion or 17 percent over the past nine years. Your CTF urges supporters to fill out the debt retirement petition available on our website.

The CTF budget recommendations also included broad changes to the in-

come tax system: remove the top two rates of personal income tax, increase the basic personal exemption to \$15,000 and eliminate the myriad of tax credits and deductions for both personal and corporate taxes. The CTF urged tax reforms based on the guiding principles of simpler, lower and flatter.

Your CTF also recommended that the government members of the Vancouver Olympic Organizing Committee (VANOC) report to the legislature on its financial outlook. After all, it is provincial taxpayers that are on the hook if the Games go over budget, why should we know how well



by **Sara MacIntyre**
British Columbia Director

In the news...

"Its 2006 provincial budget report ... contains recommendations that make a lot of sense — at least to B.C. taxpayers ... the federation favours measures to get Victoria to show greater financial discipline. And we should all pay attention to that."

Lead Editorial, *The Province*
January 16, 2006.

or poorly the organizing committee is handling its finances?

Your CTF's full 2006 budget recommendations are available at www.taxpayer.com. ■



CTF director Sara MacIntyre (left) presents pre-budget recommendations to BC Finance Minister Carole Taylor.

CTF OUTRAGE LEADS TO GOVERNMENT BACKING DOWN ON COSTCO ISSUE

The provincial government started the year in much the same manner it ended last year: stumbling and bumbling. No one can forget the ill-fated bill that MLAs tried to quietly pass in November that would have boosted their salaries and re-instated gold plated pensions. Outrage across the province — led by your CTF — resulted in an about face when the government repealed the legislation within two days. As for this year, the government isn't performing much better.

The same week the government announced extension of taxpayer-funded cash handouts to Hollywood film executives, retail giant Costco was forced to get a court injunction against the government to protect the privacy of its customers. The provincial government had demanded that Costco hand over a list of all its customers that were BC residents that had purchased goods in Alberta—on the assumption that all these savvy shoppers were evading BC's sales tax.

Your CTF once again lead the charge, criticizing the government's hypocrisy and maligned priorities — targeting Ma and Pop for sales tax at Costco, while at the same time handing over millions to film executives! The government responded to the outrage by immediately “re-viewing” the issue. Just over a week later, “Operation Costco” had been abandoned! In a prepared statement Revenue



“After absorbing a day of criticism from the Canadian Taxpayers Federation ... Revenue Minister Rick Thorpe seemed to lose his stomach for the fight.”

Mike Smyth,
Columnist and radio host
January 20, 2006

Minister Rick Thorpe said “The Ministry of Small Business and Revenue has withdrawn a demand notice seeking information from Costco Wholesale Canada on out-of-province retail purchases by British Columbians ... in my view the demand notice was wide ranging and exceeded government's intention to seek targeted information related to specific tax administration matters.”

Costco said “no”, your CTF said, “back off” and the government caved to the pressure. Count this one as a victory for taxpayers.■

BC's Voice in Federal Parliament

British Columbia has always needed a blow horn to get its message across to Ottawa. This may soon change. During the federal election campaign Stephen Harper promised to ensure that British Columbia's representation in the House of Commons more accurately reflects its population. For example, Prince Edward Island has four representatives in the House for a population of 125,000, that works out to one federal seat per 31,250 people. British Columbia has a total of 36 seats in the federal parliament for a population of 4,177 million which equals one seat per 116,000 people. Canada's 22nd Prime Minister has promised to address the great inequities in the House of Commons. For BC, that means more seats and a louder voice. Let's hope he delivers.■

2006 Budget Recommendations

On February 6th, 2006, your CTF met with Finance Minister Shirley McLellan to present the CTF's recommendations for the 2006-07 provincial budget.

In a submission entitled "Creating a new vision for Alberta", the CTF made twelve recommendations to the Alberta government, including:

- Restricting all in-year unbudgeted spending, and hold program spending to no more than \$26.3 billion for 2006-07.
- Roll back the *Fiscal Responsibility Act* to 2003 levels and only spend the first \$3.5 billion of resource revenues.
- Increase the size of the Sustainability Fund from \$2.5 billion to \$3.5 billion and index it to inflation starting in



by **Scott Hennig**
Alberta Director

“Stop spending resource revenues and start banking them, so that Albertans can begin to see sustainable long-term tax relief rather than one-time payments.”

2007-08.

- Link public sector workers (nurses, teachers, doctors, MLAs, government employees) wage increases to what the private sector gets.
- To quit stalling on health care reform, and remove any legislative restrictions immediately.
- Eliminate health care premiums and the 3% tax on insurance.
- Stop spending resource revenues and start banking them, so that Albertans can begin to see sustainable long-term tax relief rather than one-time payments.
- Keep their promise to reduce corporate income taxes to 8%.
- Amend the *Alberta Taxpayer Protection Act* so that any new tax or increase in

taxes must first be approved by Albertans in a referendum.

With Alberta now enjoying debt-free status, the province has to re-adjust their focus. Now is the time to pay back taxpayers for all of their sacrifices. Hopefully the Alberta government will heed the advice of the CTF and make our vision a reality.

Copies of the pre-budget submission can be found on www.taxpayer.com under reports, or by calling the Edmonton office at 1-800-661-0187. ■



CTF director Scott Hennig meets with Alberta Finance Minister Shirley McLellan

Ontario man surprised to get Ralphbucks, but not your CTF!

Like many Albertans, Brian Clegg was overwhelmed by the sheer generosity of Premier Ralph Klein after finding a \$400 Alberta Resource Rebate cheque in his mailbox.

Unfortunately for Alberta taxpayers, Brian is not an Albertan.

Brian, a 43 year-old production supervisor at a power-steering and brake hose manufacturing plant in his home of Brantford, Ontario was more than a little surprised when he returned home from work to find a \$400 cheque with his correct name and address on it from the Alberta government.

The lifetime Ontarian contacted your CTF to let us know just how far Premier Klein's generosity reached.

Your CTF was not surprised, in fact we warned the government right here in the pages of *The Taxpayer* that this would happen.

Unfortunately we were correct. Since Brian's discovery others have come out of the woodwork across Canada with similar stories. The CTF also alerted the media after Winnipegger, Bob Phangureh came forward with a similar story.

But the real worry for Alberta taxpayers is the possibility that for every Brian Clegg and Bob Phangureh who came forward there could be dozens of oth-

ers who opted to quietly cash their cheque. The Canadian Revenue Agency has said that anyone caught cashing a cheque they shouldn't have received, might find their tax refund \$400 short this year. Not

much of a threat: if we catch you, you'll have to pay it back.

But once again, this is the reason why the Alberta government would have been better off offering taxpayers a permanent tax cut rather than a one-time payment. One-time payments are difficult to administer, create

an unnecessary bureaucracy, and only offer temporary tax relief.

The Alberta government is already saving \$1.5 billion a year in interest payments they no longer have to make on our debt. That money deserves to be in the pockets of taxpayers.

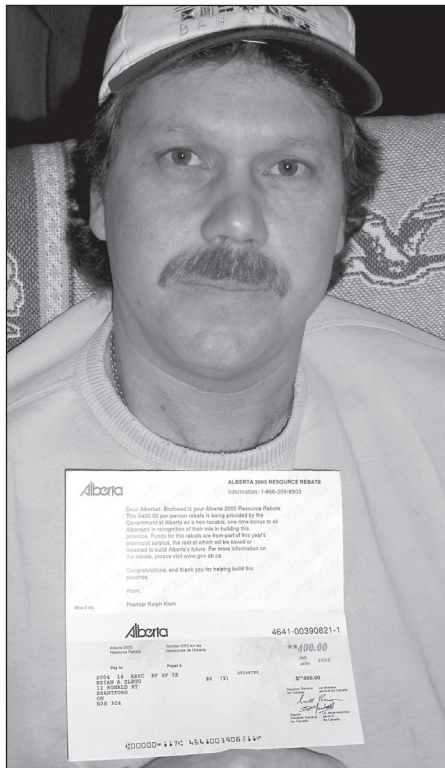
If the government wants to create further tax relief, they should consider banking excess resource revenues and pay out the interest to taxpayers every year rather than one-time payments.

The CTF supports the Alberta government giving money back to taxpayers, but as we have seen there are much better options. ■

We called it:

“Cheques will be mailed to the recently deceased, cheques will be mailed to infants lacking a bank account, cheques will be mailed to people who actually live in other provinces...”

The Taxpayer, Jan-Feb 2006



Ontarian Brian Clegg one of the big winners in the Ralphbucks lotto

Victory for Taxpayers

The province's announcement of \$52 million in school tax relief for farmers is welcome news — despite it taking years for the government to get around to it.

The announced relief plan will cut the average school tax bill by nearly a third. This relief is in addition to the average eight per cent cut delivered by the government last year. If we're to take the government at its word, and we're reluctant to do so, this relief is permanent.

This relief has taken too long to arrive, but it's a win nonetheless. Over the years, your CTF has delivered 55,000 signatures calling for school tax relief. Most recently, CTF director David MacLean — dressed up as Santa Claus — delivered 20,000 signatures as an early Christmas gift for politicians. The event was a light-hearted attempt to attract attention to our cause, and it worked.

It was after the Santa Claus event that the province issued its first commitment to reduce school taxes. Government Rela-



by **David MacLean**
Saskatchewan Director

tions Minister Len Taylor told members of the media that something was in the works.

Over the years, your CTF has given hundreds of media interviews, written and submitted reports and presentations, and met with politicians to make your case. This most recent announcement shows that if we work hard enough and stick to the important issues, we can have success. Unfortunately, it took a tax revolt by RMs to finally force the government to act.

But the school tax fight isn't over. In the 2004 provincial budget, the province increased the PST which takes nearly \$150 million out of taxpayers' pockets each year. In the near term we want every nickel of that unwarranted tax increase directed toward K-12 education funding.

Winning the fight for property tax relief is going to come in a series of small victories. The announced school tax relief is just the first step toward a complete overhaul of how we fund schools in Saskatchewan. ■

“This relief has taken too long to arrive, but it's a win nonetheless. Over the years, your CTF has delivered 55,000 signatures calling for school tax relief.”

Saskatchewan Same as the old boss?

Premier Lorne Calvert shuffled his Cabinet and put a new face on a number of important portfolios. Aside from health and education, finance has to be the toughest position to take in Cabinet. Newly-minted Finance Minister Andrew Thomson has some tough decisions to make in the coming months.

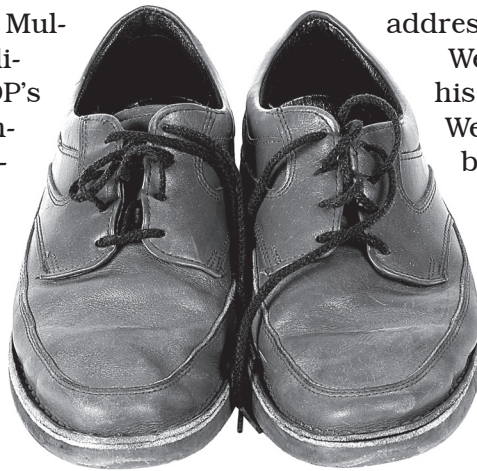
Former Finance Minister Harry Van Mulligen's tenure was at best unremarkable and, at worst, bad for the province. In his time as treasurer, Van Mulligen hiked the PST and directly contravened the NDP's campaign promise to "continue lowering taxes." Under his watch, spending ballooned by nearly \$600 million in two years. He also completely ignored the recommendations of the Boughen Commission on K-12 Funding which would have dra-

matically reduced school taxes.

So the old "big shoes to fill" cliché doesn't exactly apply here. Thomson does, however, have much unfinished business to contend with. More work is needed on reducing school taxes.

The Business Tax Review Committee's recommendations, which would make Saskatchewan a much more competitive jurisdiction in which to run a business, also need to be addressed.

We wish Andrew Thomson well in his endeavours as Finance Minister. We shall soon learn whether the new boss is the same as the old boss.■



“So the old ‘big shoes to fill’ cliché doesn’t exactly apply here. Thomson does, however, have much unfinished business to contend with.”

Trouble at SIGA....again

After Christmas the Saskatchewan Indian Gaming Authority (SIGA) put its president and CEO, Edmund Bellegarde, on “indefinite administrative leave” while the board of directors investigate an undisclosed matter at the company.

SIGA was established in 1995 under the Non-Profit Corporations Act. The operators of SIGA are the FSIN and its tribal councils.

The Saskatchewan Liquor and Gaming Authority licenses SIGA, through the Casino Operating Agreement, to operate and manage table games. Under this agreement SIGA is to use the

net proceeds from the operations of licensed table games for aboriginal charitable or religious purposes.

It is almost an annual tradition for the Provincial Auditor to single out SIGA for lax spending controls and a list of other complaints.

Everybody is throwing sevens at SIGA, except taxpayers.

What we do know for sure is that SIGA oversees millions of tax dollars but lacks transparency and accountability, despite making improvements in recent years. Please, someone, take that broken record off the turntable.■



TAX RELIEF, BALLOONING DEBT, UNPRECEDENTED SPENDING

Budget 2006 had a little bit for everyone, but not enough for anyone. Included in the NDP government's fiscal plan for Manitoba were tax reductions on income and business, coupled with millions more in spending.

Some of the significant tax adjustments are as follows:

- Middle tax rate reduced from 13.5 per cent to 13 per cent in January 1, 2007;
- Basic personal exemption increased by \$100 to \$7,843 in January 1, 2007;
- Small business tax rate reduced to 3 per cent in January 1, 2007;
- Education support levy eliminated;
- Corporate taxes reduced to 14 per cent in July of 2007; and
- Farmland education tax reduction increased to 60 per cent.

All of these reductions are laudable and certainly welcome for over-taxed Manitobans, however, one has to question why the government chose to delay personal and business tax relief until next year. More alarming yet, there was no indexation of tax brackets to eliminate bracket creep.

Income tax savings, including the small increase in the basic personal exemption for a Manitoban earning \$40,000 a

year will be \$65.90, or \$5 a month. But because there is no permanent indexation, most of these savings will be eroded.

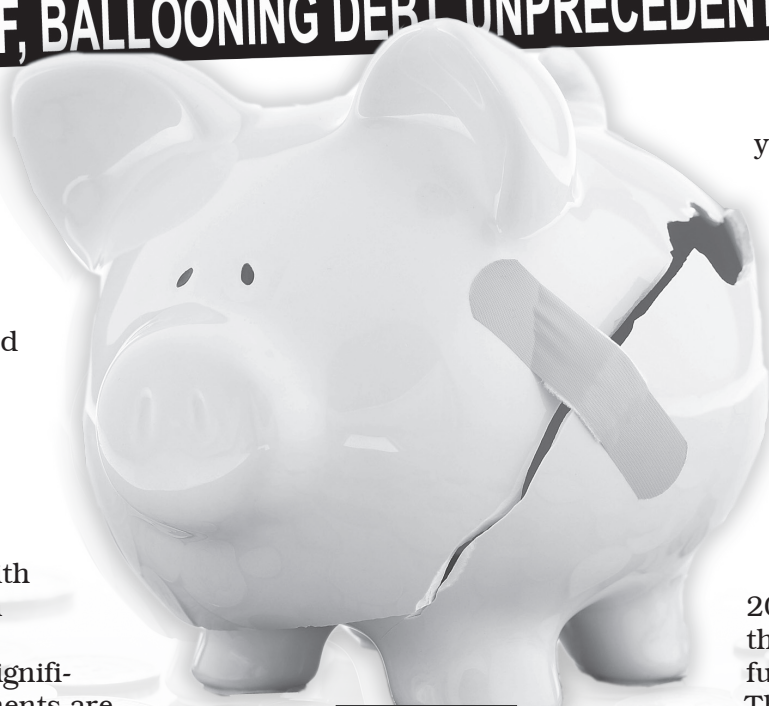
The NDP government increased spending by 6.8 per cent (outpacing both inflation and economic growth) in budget 2006 with a dip into the fiscal stabilization fund for \$85 million. The spending increases come in the predictable

areas of health care and the civil service commission; with spending on the rise so too is Manitoba's debt which has ballooned to \$16.6 billion. The provincial government also continues to rely heavily on transfer payments from the federal government

where \$3 billion of Manitoba's \$8.6 billion budget is coming from equalization and the Canadian Health and Social Transfer.

The NDP government did fulfil its commitment to eliminate the education support levy on property taxes and also provided much needed school tax relief to Manitoba's rural communities by increasing the farmland school tax credit to 60 percent, something your CTF has been calling for. The challenge for government is now going to be the portion of school taxes that continues to increase.

The budget recognizes — finally — that tax relief will not jeopardize provincial revenues, in fact it is just the opposite. Your CTF will continue to push for meaningful tax reductions and the elimination of bracket creep.



by Adrienne Batra
Manitoba Director

“More alarming yet, there was no indexation of tax brackets to eliminate bracket creep.”

Manitoba PROTECTION for Whistleblowers

The Manitoba government has finally moved forward with proposed whistleblower legislation, but it is regrettable that it took yet another scandal for them to act.

In his review of the Worker's Compensation Board (WCB), Manitoba's auditor found that concerns brought forward by former WCB CEO Pat Jacobsen were completely mishandled.

Jacobsen wrote to the former minister responsible for the WCB Becky Barrett raising concerns related to the operations of the board and the former chairman, Wally Fox-Decent. According to the auditor's report, the former minister did not address the concerns directly and instead referred Jacobsen's complaints back to Fox-Decent to "handle in conjunction with the board."

The subsequent result of Jacobsen raising these concerns? She was fired. Fortunately, years later, she has been vindicated by the auditor's report which revealed many of her concerns to be accurate. But there are many other Pat Jacobsens out there in the civil service, too afraid to speak up for fear of losing their jobs. That is why the auditor recommended the province pass effective whistleblower legislation to protect "employees of an organization from retaliation for reporting, in good faith, alleged wrongdoings of an organization, the organization's board or an organization's employees."

“The subsequent result of Jacobsen raising these concerns — she was fired.”



An important component of Manitoba's proposed legislation would ensure that employees have access to an independent office to investigate their complaints. This is important considering it could have helped Ms. Jacobsen keep her job. But with all legislation, it is important that there is no abuse and so the CTF recommends the provincial government add a penalty component for frivolous complaints.

For years your CTF has been calling on governments across Canada to adopt whistleblower legislation. As the auditor's report concluded "if whistleblowing legislation was in effect in the Province of Manitoba, WCB's former CEO would have had an avenue to address these concerns and assurance that the concerns would be investigated."

CTF Calls for Reform in Lead-Up to Provincial Budget

On February 2 your CTF made its pre-budget recommendations to the provincial Standing Committee on Finance at Queen's Park. Front and center this year were CTF calls to end corporate welfare, halt huge spending increases, and reform the property tax system. Your CTF also called for the government to scrap Part X of the new *City of Toronto Act*, which empowers the City of Toronto to tax things other than property, and which represents another breach by Premier McGuinty of his pledge not to increase taxes.



by Tasha
Kheiriddin
Ontario Director

To read the full report, visit www.taxpayer.com and check out the reports section for the province of Ontario. Meanwhile, here are some of the highlights:

Corporate Welfare



2006 started off on a sour note for Ontario autoworkers and taxpayers. Autoworkers, because together Ford and General Motors plan to lay off over 3,000 of them in 2006. Taxpayers, because last year the government gave over \$350 million of their mon-

ey to those same companies allegedly to create – not lose - thousands of new jobs in the province.

But the corporate welfare train doesn't stop there. In its prebudget submission, the CTF chronicled over \$1.5 billion in subsidies over the past two years, to ethanol producers, steelmakers, and manufacturers. In an attempt to boost Ontario's dismal employment figures (job growth is expected to range between .9 and 1.4 per cent next year, the lowest level in a decade), the government is throwing taxpayers' money at the problem instead of doing the sensible thing: lowering corporate taxes and

creating a competitive business environment.

It's no secret that in Ontario the greatest growth in jobs and revenues occurred during the years of major tax cuts by the previous government. The CTF recommended that instead of subsidizing select industries, the government lower corporate taxes for all businesses and adopt legislation banning corporate welfare. Both strategies were successfully implemented in Alberta, which has a 11.5% corporate tax rate vs. Ontario's 14%, and laws requiring public debate on any proposal to subsidize individual businesses or industries.

Spending

The CTF warned the government that it has to get spending under control and balance the books before 2007-

“In its prebudget submission, the CTF chronicled over \$1.5 billion in subsidies over the past two years, to ethanol producers, steelmakers, and manufacturers.”

08. Savings could notably be found in the area of health care, including hospital administration that currently eats up 17.5% of total program spending. Outsourcing of



Ontario

administrative and other non-health related services could save the province billions of dollars. Increasing private delivery would also take pressure off the public system — while creating new jobs and investment that the province desperately needs.

Making greater use of the private sector would also save money in other areas of government, from the LCBO to Ontario Hydro. Statistics obtained from the Ministry of Labour showed that while the salaries of all Ontarians increased an average of 10.5% between 2000 and 2004, salaries of public sector workers jumped 18% in the same period. These huge increases are not justified by market conditions but are the results of political decisions made by weak governments in the face of powerful public sector unions. As a result, taxpayers are not getting value for money and the cost of government is spiralling out of control.

“It’s no secret that in Ontario the greatest growth in jobs and revenues occurred during the years of major tax cuts by the previous government.”

City of Toronto Act



The way the *City of Toronto Act* is currently worded would empower the city to impose taxes on a wide range of items beyond property. It allows the Premier to break his fundamental election promise not to raise taxes, by enabling the city to do it for him.

The CTF demanded that the government either take the new taxing powers out of the act or put the act to a referendum, in the spirit of the *Taxpayer Protection Act* which requires that all tax increases be subject to public approval. Your CTF quoted then-Opposition leader Dalton McGuinty who, when commenting on the forced amalgamation of Toronto on December 7, 1999, told the Legislature,

“I defy this minister to stand up and tell us how it is in keeping with democratic principles that 75 people can be allowed to sign a petition and compel a commissioner or this minister to impose a restructuring solution on a community. I defy this minister to tell us how that is in keeping with traditional democratic principles that have been articulated and developed century after century after century right across the free world.”

The question is, will the Premier follow his own advice in 2006, and consult the people before delivering such an important — and, we venture, unwanted — change? And will the government listen to taxpayers — and follow the rest of the CTF’s recommendations? Your CTF is confident that the only way to hold this government to account is to keep the pressure on — and we will continue to do that until the budget is delivered March 23, 2006. Stay tuned! ■

Property Taxes



The CTF warned the provincial government that property taxes are the sleeper issue for Ontario taxpayers — and that a revolt is set to explode. Following double and in some cases triple-digit increases in their assessments in the fall

of 2005, property taxpayers are seeing red, and are demanding change. The CTF reiterated its recommendation for an end to Current Value Assessment, a cap on increases to property taxpayers’ bills, and a greater link between services rendered and taxes paid.

New Low Long Distance Rates

Your CTF is pleased to announce new lower long distance rates. Effective April 20, 2006, CTF supporters will be able to phone anywhere, anytime in Canada and the US for just 4.5 cents a minute. In addition, we are pleased to announce that CTF supporters will also be able to phone each other for just 2.5 cents a minute, provided both have signed up for the CTF's long distance rate package. Call 1-877-518-4283 to take advantage of this great offer.

Long distance telephone rates:

2.5¢

a minute for
supporter to
supporter
calls.

4.5¢

A minute anytime, anywhere
in Canada or the US

The CTF has partnered with West Can Telecommunications to provide this great long distance package for current supporters.

- ☐ Billing by the minute
- ☐ Low International Long Distance rates
- ☐ Low rates on Toll-free services
- ☐ Conference calling

Call today to get in on this great deal:

1-877-518-4283